

# VETERANS CHILD WELFARE SERVICE

## Enabling Laws

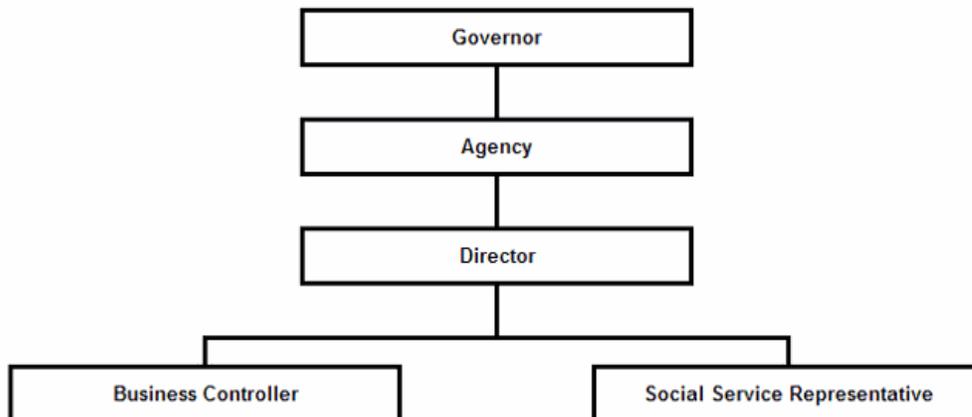
Act 416 of 2003  
A.C.A. §20-81-101

## History and Organization

The American Legion Child Welfare Division originated as a unit of the American Legion in 1923 to provide aid to the needy children of hospitalized and deceased veterans. Funds were provided through the American Legion Posts and Auxiliary Units.

Act 189 of 1969 changed the name of the Agency to the Arkansas Veterans Child Welfare Service. The Agency was put under the supervision of a Director appointed by the Governor upon written recommendation by the governing body of the American Legion Department of Arkansas. The Agency was delegated the responsibility of establishing temporary and interim welfare assistance for the minor age children of hospitalized and recently deceased Honorably Discharged Veterans who reside in Arkansas.

Act 100 of 1997 allowed our Agency to assist children of Honorably Discharged Arkansas Veterans who are deceased, hospitalized OR medically incapacitated. Funds for the Agency are procured by appropriations from the State of Arkansas and from the American Legion Posts and Auxiliary Units through memorials, donations and contributions received throughout the year. The Agency's current Appropriation Act is Act 416 of 2003.



## Agency Commentary

This Agency is delegated the responsibility of providing temporary assistance to the minor age children of Honorably Discharged Veterans if recently deceased, hospitalized or medically incapacitated. Funds for this Agency are procured by appropriations from General Revenues and contributions from the American Legion and Auxiliaries. Our Agency consists of the Director, Business

Controller (presently not filled) and Social Service Representative.

Although the Agency does not request any change levels in appropriation, the Agency does request an increase in General Revenue funding above base level for each year in the amount of \$6,745 in FY06 and \$6,769 in FY07. Because an unfilled position was budgeted for less than 12 months in FY05, base level appropriation for this position covers 12 months, while base level funding covers only 8 months. This is considered a critical need of the Agency.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS VETERANS CHILD WELFARE SERVICE  
FOR THE YEAR ENDED JUNE 30, 2003

Findings	Recommendations
None	None

## **Employment Summary**

	Male	Female	Total	%
White Employees	1	1	2	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			2	100 %

## **Publications**

**A.C.A 25-1-204**

Name	Statutory Authorization	Required for		# Of Copies	Reason (s) for Continued Publication and Distribution
		Governor	General Assembly		
None	NA	N	N	0	NA

## **Analysis of Budget Request**

**Appropriation / Program:** 064 - Vet Child Welfare Operations

**Funding Sources:** HUA-Miscellaneous Agencies Fund

The Veterans Child Welfare Service offers temporary financial assistance to the minor children of recently deceased, hospitalized or medically incapacitated veterans with limited or no income, until a more permanent source of income is established. Veterans and their families are eligible for assistance for up to three months with rent or house payments and utilities. The Staff also counsels with families and refers them to other agencies for further assistance. The program is also subsidized by the American Legion and its Auxiliary.

Base Level for this appropriation is \$163,936 in FY06 and \$167,095 in FY07, and includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for the 3 Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency is not requesting any change levels in appropriation. The Agency is, however, requesting an increase in general revenue funding above base level in the amount of \$6,745 in FY06 and \$6,769 in FY07.

In FY05, the agency budgeted the unfilled Business Controller position for 8 months instead of 12 months. This was done because the agency would have been unable to budget the position for the full 12 months without reducing their Grants and Aid budget, which the agency was reluctant to do. The biennial base level for appropriation includes the additional appropriation required to budget this position for 12 months for each year of the biennium. The biennial base level for general revenue funding, however, includes only the funding necessary to budget the position for 8 months. The Agency considers this request for additional funding to be a critical need of the Agency.

The Executive Recommendation provides for the Agency Request for additional General Revenue funding in the amount of \$6,745 in FY06 and \$6,769 in FY07 for the salary and matching related expenses of the Business Controller position. In addition, the Executive Recommendation provides for an increase in appropriation and General Revenue funding in the amount of \$1,670 in FY06 and \$1,720 in FY07 for the Reclassification of the Business Controller position. Although this Change Level request was not submitted by the Agency as part of their official Biennial Budget Request, subsequent discussions between the Agency and the Office of Personnel Management resulted in this Reclassification being included in the Executive Recommendation.

## Appropriation / Program Summary

**Appropriation / Program:** 064 Vet Child Welfare Operations  
**Funding Sources:** HUA-Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	63,091	77,264	79,823	86,522	86,522	87,894	89,116	89,116	90,529
<b>#Positions</b>	<b>2</b>	<b>3</b>							
Personal Services Matching 5010003	18,612	24,598	24,216	30,356	30,356	30,654	30,921	30,921	31,228
Operating Expenses 5020002	1,329	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Travel-Conference Fees 5050009	0	262	602	262	262	262	262	262	262
Professional Fees and Services 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Grants and Aid 5100004	45,079	44,746	44,746	44,746	44,746	44,746	44,746	44,746	44,746
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>128,111</b>	<b>148,920</b>	<b>151,437</b>	<b>163,936</b>	<b>163,936</b>	<b>165,606</b>	<b>167,095</b>	<b>167,095</b>	<b>168,815</b>
<b>Funding Sources</b>									
General Revenue 4000010	128,111	144,614		157,191	163,936	165,606	160,326	167,095	168,815
Merit Adjustment Fund 4000055	0	4,306		0	0	0	0	0	0
<b>Total Funding</b>	<b>128,111</b>	<b>148,920</b>		<b>157,191</b>	<b>163,936</b>	<b>165,606</b>	<b>160,326</b>	<b>167,095</b>	<b>168,815</b>
Excess Appropriation/(Funding)	0	0		6,745	0	0	6,769	0	0
<b>Grand Total</b>	<b>128,111</b>	<b>148,920</b>		<b>163,936</b>	<b>163,936</b>	<b>165,606</b>	<b>167,095</b>	<b>167,095</b>	<b>168,815</b>

The FY05 Budgeted amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2003-05 biennium.

Although the agency does not request any change levels in appropriation, the agency does request an increase in general revenue funding above base level for each year. Because an unfilled position was budgeted for less than 12 months in FY05, base level appropriation for that position covers 12 months, while base level funding covers only 8 months.

## Change Level by Appropriation

**Appropriation / Program:** 064-Vet Child Welfare Operations  
**Funding Sources:** HUA-Miscellaneous Agencies Fund

### Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	163,936	3	163,936	100.0	167,095	3	167,095	100.0

### Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	163,936	3	163,936	100.0	167,095	3	167,095	100.0
C09	CLIP Reclass	1,670	0	165,606	101.0	1,720	0	168,815	101.0

### Justification

C09 Increase in Appropriation and General Revenue funding in the amount of \$1,670 in FY06 and \$1,720 in FY07 for Regular Salaries and the related Personal Services Matching for the Reclassification of one position. This request was not submitted by the Agency as part of their official Biennial Budget Request. However, subsequent discussions between the Agency and the Office of Personnel Management resulted in this Reclassification being included in the Executive Recommendation.